JEATE OF UTAH

FORM 3

DEPARTMENT OF NATURAL RESOURCES DEPARTMENT OF OIL GAS AND MINING

	DEPARTMENT OF OIL, GA	S AND MINING			AMENDED I		
	APPLICATION FOR PERMIT	TO DRILL	<u>-</u>		5. MINERAL LEASE NO ML 11004	ht changes) : 6. SURFACE:	_ \ #
44 TVDE OF WOR	K DRILL X REENTER 1	DEEPEN			7. IF INDIAN, ALLOTTE	E OR TRIBE NAME	
1A. TYPE OF WOR					8. UNIT or CA AGREEM	<u>I/A</u> MENT NAME:	—
B. TYPE OF WELL:	OIL GAS X OTHER	SINGLE ZONE	MULTIPLE Z	ONE L_		TU063026X	
2. NAME OF OPERA	ATOR:				9. NAME OF WELL and		
	WEXPRO COMPAN	IY .			ISLAND UNIT	WELL NO. 89	9_//
3. ADDRESS OF OF			PHONE NUMBER:		ISLAND UNIT 10. FIELD AND POOL, ISLAND, V	OR WILDCAT:	orong
P.O. BOX 4. LOCATION OF W	458 CITY ROCK SPRINGS STATE WY	7 ZIP 82902	307 382-9	791	ISLAND, V	NASATCH 1°	But
4. LOCATION OF W	LOGIS (FOOTAGES) LOGIS 79 X 44249754 39.970102	-109. 75200	8		11. QTR/QTR, SECTION MERIDIAN:	N, TOWNSHIP, RAM	NGE,
	297 FSL. 1						
AT PRODUCING	TONE I - A - CATAL ALLE		7.973864 NESW 109.7	571.80	SF SW 2-10k	1-19E, SLB&M	1
	ILES AND DIRECTION FROM NEAREST TOWN OR POS		NEDE 107.	J 6408		13. STATE	
	APPROXIMATELY 32 MILES FROM	/I VERNAL, UT	ΆΗ		UINTAH	UTAH	
15. DISTANCE TO N	EAREST PROPERTY OR LEASE LINE (FEET)	16. NUMBER OF	ACRES IN LEASE:	17. NUMBI	ER OF ACRES ASSIGNE	D TO THIS WELL:	
	1670' (BHL)		5.79		N/A		
	IEAREST WELL (DRILLING, COMPLETED, OR ON THIS LEASE (FEET)	19. PROPOSED D	EPTH:	20. BOND	DESCRIPTION:		
·	1400'	8.620' (MD) 8.326' (TVD)	Nationy	vide Bond No. 965	5002976	
21. ELEVATIONS (S	HOW WHETHER DF, RT, GR, ETC.)	22. APPROXIMAT	E DATE WORK WILL	START:	23. ESTIMATED DURA		
	5028' Ungraded	Dec	ember 1, 2008		25 🗅	DAYS	
24.	PROPOSED CAS	SING AND CE!	MENTING PRO	GRAM			
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT	TYPE OUA	NTITY, YIELD, AND SLU	IRPY WEIGHT	
24"	20" - CORRUGATED CONDUCTOR	60'	T		STRUCTION CE		
12-1/4"		90'				<u>NEIN I</u>	—
	9-5/8" 47#, N-80, LT&C		SEE ATTACH				
12-1/4"	9-5/8" 36#, J-55, LT&C	500'	SEE ATTACH	· · · · · · · · · · · · · · · · · · ·			—
7-7/8"	4-1/2" 13.5#, P-110, LT&C	8,620' MD	SEE ATTACH	ED DRIL	LING PLAN		—
25.	·	ATTACHMEN	NTS				
VERIFY THE FO	LLOWING ARE ATTACHED IN ACCORDANCE WITH THE	UTAH OIL AND GA	S CONSERVATION G	SENERAL R	ULES:		
X WELL PLAT O	OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	X cov	IPLETE DRILLING PLAN				
	f DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATEF 04 Ouray Brine/	FOR	M 5, IF OPERATOR IS P	ERSON OR C	COMPANY OTHER THAN TH	E LEASE OWNER	
NAME (PLEASE	PRINT) G. T. NIMMO	тіт	e <u>OPERATIO</u>	NS MAI	NAGER	1000	
SIGNATURE	01./ (mmo	DA1	E <u>072908</u>	<u> </u>			
(This space for State	e use only)				DEC	EIVED	
	ila						
API NUMBER AS	SSIGNED 43-047-40278	APPROV	/AL:		JUL	3 1 2008	2
						. are a rainiind	. i

WEXPRO COMPANY T10S, R19E, S.L.B.&M. Well location, ISLAND UNIT #89, located as N89'53'E - 5318.28' (G.L.O.) shown in the SE 1/4 SW 1/4 of Section 2. 1956 Brass Cap T10S, R19E, S.L.B.&M., Uintah County Utah. 0.3' High, Pile of Stones BASIS OF ELEVATION 07 SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET. 1956 Brass Cap. 0.4' High. Pile of Stones 1956 Brass Cap 1.0' High, Pile of , 28, Bottom Hole 1770' SCALE CERTIFICATE THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE RYME OR UNDER MY SUPERVISION AND THAT THE SAME ARE THE AND CORRECT TO THE 670, NO0'48'16 BEST OF MY KNOWLEDGE AND BELIEF ISLAND UNIT #89 1940 Elev. Ungraded Ground = 5028' 1956 Brass Cap, RECISTERED LAND SURVEY 1.1' High, Pile of REGISTRATION NO. 161319 Stones, Steel Post S89'58'55"W 1956 Brass Cap. 1956 Brass Cap, S89°58'36"W - 2636.67' (Meas.) 0.5' High, Pile 1.0' High, Pile of 2636.90' (Meas.) 297' Stones of Stones 2' WLY UINTAH ENGINEERING & LAND SURVEYING BASIS OF BEARINGS 85 SOUTH 200 EAST -VERNAL, UTAH 84078 BASIS OF BEARINGS IS A G.P.S. OBSERVATION. (435) 789-1017 LEGEND: SCALE DATE SURVEYED: DATE DRAWN: 1" = 1000'02-27-08 03-06-08 = 90° SYMBOL NAD 83 (TARGET BOTTOM HOLE) NAD 83 (SURFACE LOCATION) PARTY REFERENCES LATITUDE = 39"58'25.99" (39.973886) LATITUDE = 39"58'12.43" (39.970119) LONGITUDE = 109"45'12.73" (109.753536) LONGITUDE = 109"45'10.29" (109.752858) = PROPOSED WELL HEAD. D.R. A.W. C.C. G.L.O. PLAT NAD 27 (TARGET BOTTOM HOLE) NAD 27 (SURFACE LOCATION) WEATHER FILE = SECTION CORNERS LOCATED. LATITUDE = 39"58'26.12" (39.973922) LATITUDE = 39"58'12.56" (39.970156) LONGITUDE = 109"45'10.23" (109.752842) LONGITUDE = 109"45'07.79" (109.752164) COLD WEXPRO COMPANY

Drilling Plan Wexpro Company Island Unit Well No. 89 Uintah County, Utah

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

Formation	Depth - MD	Depth - TVD	Remarks
Uinta	Surface	Surface	
Green River	1,945'	1,943'	
Bird's Nest	2,420'	2,400'	
Wasatch Tongue	4,750'	4,480'	
Green River Tongue	5,156'	4,865'	
Wasatch	5,314'	5,020'	Gas, Major Objective
Lower Wasatch	7,439'	7,145'	Gas, Major Objective
Mesaverde	8,520'	8,226'	
Total Depth	8,620'	8,326'	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

2. PRESSURE CONTROL EQUIPMENT: (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 3000 psi double gate hydraulically operated blowout preventer and an 11-inch 3000 psi annular preventer. BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing. The annular preventer will be tested at 50-percent of its rated working pressure.

NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by rig equipment after each string of casing is run. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

AUXILIARY EQUIPMENT:

- a. Manually operated kelly cock
- b. No floats at bit

- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

3. CASING PROGRAM:

Hole Size	Size	Тор	Bottom	Weight	Grade	Thread	Condition
24"	20"	sfc	60'				Steel Conductor
12-1/4"	9-5/8"	sfc	90'	47	N80	LTC	New
12-1/4"	9-5/8"	90'	500'	36	J55	LTC	New
7-7/8"	4-1/2"	sfc	8,620' MD	13.5	P110	LTC	New

Casing S	Casing Strengths:			Collapse	Burst	Tensile (minimum)
9-5/8"	47 lb.	N80	LTC	4,760 psi	6,870 psi	905,000 lb.
9-5/8"	36 lb.	J55	LTC	2,020 psi	3,520 psi	453,000 lb.
4-1/2"	13.5 lb.	P110	LTC	10,680 psi	12,410 psi	338,000 lb

CEMENTING PROGRAMS:

9-5/8-inch Surface Casing: 333 cu.ft. of Class G with 2% CaCl₂ (1/4% celloflake will only be used if lost circulation is encountered).

4-1/2-inch Production Casing:

Lead: 1378 cu. ft. Light cement with retarder, reducer and fluid loss additives, if needed.

Tail: 1100 cu. ft. Light cement with retarder, reducer, and fluid loss additives, if needed.

4. MUD PROGRAM:

Surface to 500 feet: Surface to be drilled with a dry hole rig.

Surface to TD: Fresh water with gels and polymer sweeps, as necessary

from 500 feet to Total Depth. Mud up, mud weight of 9.0 -

10.0 ppg, and maintain this to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

No chrome constituent additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. LOGGING: DIL-GR-SFL - Total Depth to surface casing

MICRO-LOG - Total Depth to surface casing FDC/CNL/GR/CAL - Total Depth to surface casing BORE HOLE PROFILE LOG- Total Depth to surface casing

TESTING: None

CORING: None

- 6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated. A BHT of 157 degrees F.
- 7. ANTICIPATED STARTING DATE: December 1, 2008

DURATION OF OPERATION: 25 days

ISLAND UNIT WELL NO. 89 - CEMENT DESIGN

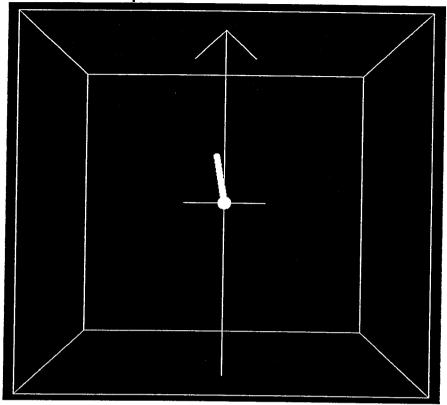
SURFACE (CASING:				·					
AN EX	SING: NULUS: CESS:		12-1/4	· · · · · · · · · · · · · · · · · · ·	ge Hole)			cu.ft./li cu.ft./li		
	MENT YIELD: TAL DEPTH		CLAS	S "G" I	NEAT		1.15	cu.ft/sa cu.ft/sa Feet		15.2 ppg
	P OF TAIL P OF LEAD							Feet Feet	(Surface	
LEAD SLURRY						CU.FT				
AN	N	0	то	0	0.3132	0.00				
AN	N EXCESS				100%	0.00				
						0.00		(0 SACKS	0 CU.FT
AIL SLURRY	***				· · · · · · · · · · · · · · · · · · ·	CU.FT				
CS		500	TO	455	0.4340	19.53		*		
AN		500	TO	0	0.3132	156.6				
AN	N EXCESS				100%	156.6				
						332.73 DISPLACE	MENT		9 SACKS 2 BBLS	333 CU.FT

PRODUC	TION CASING:							<u> </u>	
	CASING: ANNULUS: EXCESS:			2", 13.5# 3"" (Fror	, P-110 n Carbide	Lag)		cu.ft./lin.ft cu.ft./lin.ft	
	CEMENT YIELD: TOTAL DEPTH				LEAD TAIL		2.83 1.27	cu.ft/sack cu.ft/sack Feet//VD	11.3 ppg 15.2 ppg
	TOP OF TAIL TOP OF LEAD						4,800		Wasatch Tongue)
LEAD SLURRY	<u> </u>					CU.FT			
	ANN	4800	то	0	0.2496	1198.08			
	ANN EXCESS				15%	179.71			
						1377.79		487 SACK	S 1378 CU.FT.
TAIL SLURRY						CU.FT			
	CSG	8,620	TO	8,575	0.0838	3.771			
	ANN	8,620	TO	4,800	0.2496	953.472			
	ANN EXCESS				15%	143.02 1100.26		866 SACK	S 1100 CU.FT.
						DISPLACE	EMENT	128.0 BBLS	

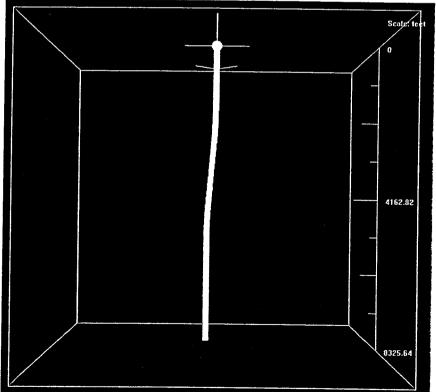
Island Unit 89 Approximate Directional Plan (S. L. Russell 6-18-2008)

Measured						
Depth		Inclination	Azimuth	N/S Offset	E/W offset	Closure
0		0	351	0.00	0.00	0.00
500	500.00	0	351	0.00	0.00	0.00
1000		0	351	0.00	0.00	0.00
1500	1500.00	0	351	0.00	0.00	0.00
1600	1599.98	2	351	1.72	-0.27	1.74
1700	1699.84	4	351	6.89	-1.09	6.98
1800	1799.45	6	351	15.50	-2.46	15.69
1900	1898.70	8	351	27.54	-4.36	27.88
2000	1997.47	10	351	42.99	-6.81	43.53
	2095.45	13	351	62.68	-9.93	63.46
	2192.25	16	351	87.40	-13.84	88.49
	2287.61	19	351	117.10	-18.55	118.56
	2381.27	22	351	151.69	-24.02	153.58
	2472.96	25	351	191.06	-30.26	193.44
	2562.84	27	351	234.36	-37.12	237.28
		27	351	279.20	-44.22	282.68
	2741.04	27	351	324.04	-51.32	328.08
	2830.14	27	351	368.88	-58.42	373.48
	2919.24	27	351	413.72	-65.53	418.88
	4344.85	27	351	1131.16	-179.16	1145.26
	4434.73	25	351	1174.46	-186.02	1189.10
	4526.08	23	351	1214.63	-192.38	1229.77
	4619.11	20	351	1250.82	-198.11	1266.41
	4713.93	17	351	1282.16	-203.07	1298.14
	4810.28	14	351	1308.55	-207.25	1324.86
	4907.90	11	351	1329.93	-210.64	1346.51
	5006.52	8	351	1346.23	-213.22	1363.01
	5105.86	5	351	1357.41	-214.99	1374.33
	5205.66	2	351	1363.43	-215.95	1380.43
	5305.64	0	351	1365.16	-216.22	1382.18
	5405.64	0	351	1365.16	-216.22	1382.18
	5505.64	0	351	1365.16	-216.22	1382.18
	5605.64	0	351	1365.16	-216.22	1382.18
	5705.64	0	351	1365.16	-216.22	1382.18
	5805.64	0	351	1365.16		1382.18
8620	8326.00	0	351	1365.16	-216.22	1382.18

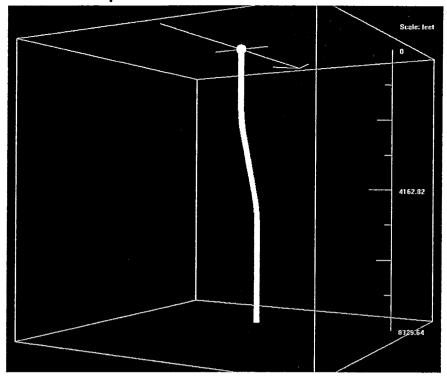
Islan<mark>d Unit 89 - Map View</mark>



Island Unit 89 - Side view looking North

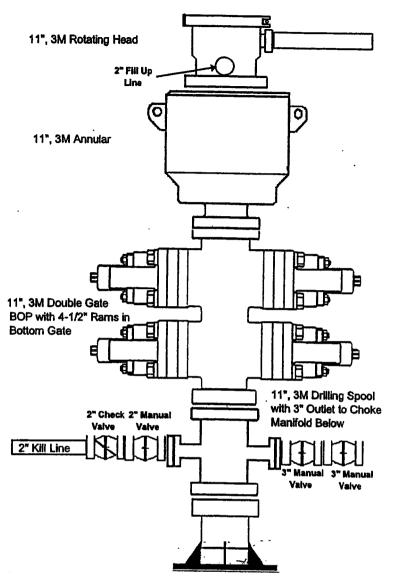


Island Unit 89 - Oblique side view



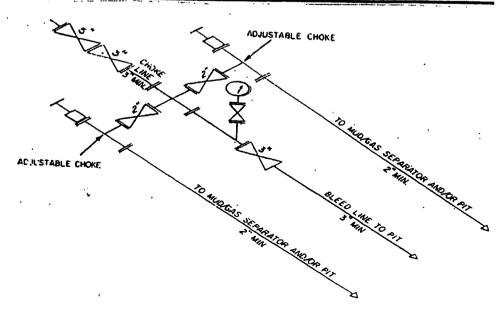
3,000 psi BOP

Minimum Requirements



3M CHOKE MANIFOLD EQUIPMENT - CONFIGURATION MAY VARY

46812 Federal Register / Vol. 53, No. 223 / Friday, November 18, 1988 / Rules and Regulations



Surface Use and Operations Wexpro Company Island Unit Well No. 89

(Island Unit Well 17, 88, 89, 90, 91 Pad)

Uintah County, Utah

1. Existing Road:

- A. <u>Proposed Well Site as Staked</u>: Refer to well location plat and area map.
- B. <u>Proposed Access Route</u>: Refer to general area map. All access roads are within lease boundaries.
- C. <u>Plans for Improvement and/or Maintenance</u>: All existing roads utilized will be maintained in their present condition and no improvements will be made.

2. Planned Access Roads:

- A. The existing road and approximately 960 feet of newly constructed road connecting the existing road to the drilling pad will necessitate a 30-foot wide right-of-way (maximum disturbance).
- B. Maximum grade: Will not exceed 10 percent.
- C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
- D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
- E. One 18" CMP is required where the access road leaves the location.
- F. Surface materials: Surface materials will be obtained from cuts along the access road and location. Spot surfacing may be required to maintain the running surface.
- G. Any topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.
- 3. <u>Location of Existing Wells</u>: Refer to area map for the location of existing wells within a one-mile radius.
- 4. <u>Location of Existing and/or Proposed Facilities</u>: Refer to area maps. Facilities will be installed as detailed on the attached diagram.

All above ground structures not subject to safety requirements will be painted to blend with the natural colors of the landscape. The color chosen is Covert Green. All facilities will be painted as weather permits, but no later than one year after well is turned on for initial production.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 110% of the largest storage tank.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

Additional pipeline will not be required. All natural gas is to be transported via the current existing line serving Island Unit Well No. 17.

- 5. <u>Location and Type of Water Supply</u>: Water will be hauled by tank trucks from the Ouray Brine water well located in Section 9-T8S-R20E, Water Use Claim #43-10610.
- 6. <u>Source of Construction Materials</u>: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
- 7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a lined pit for a period not to exceed 90 days after initial production. Produced water will be confined to a 400 barrel tank on location and application is made at this time for approval of disposal of, the excess water produced, to be hauled to one of the following State of Utah approved disposal sites: RN Industries Inc, Sec 4-2S-2W, Bluebell; LaPoint Recycle & Storage, Sec 12-5S-19E, LaPoint; or to Dalbo, Inc, Sec 2-6S-20E, Vernal. All excess produced water will be hauled by tank truck over Unit, Tribal, County and State roads.

8. <u>Ancillary Facilities</u>: Camp facilities will not be required.

- 9. Wellsite Layout: Refer to drawing.
- 10. <u>Plans for Restoration of the Surface</u>: During construction, all woody vegetation and the top six-inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. All disturbed areas will be recontoured to the approximate natural contours to the satisfaction of the Authorized Officer.

The stockpiled topsoil will be evenly distributed over the disturbed areas. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Reseeding will be done in the fall before ground frost.

A seed drill equipped with a regulator will be required. Seed will be drilled 1/4-1/2 inch deep on the contour using the following seed mixture specified by the Bureau of Land Management.

Species	lbs. PLS/acre
Shadscale	3 lbs PLS/acre
Gardner's Saltbush	3 lbs PLS/acre
Indian Rice Grass	3 lbs PLS/acre
Blue Bunchgrass	3 lbs PLS/acre

Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

- 11. <u>Surface and Mineral Ownership</u>: Surface ownership along the access road is federal and surface ownership at the wellsite is federal.
- 12. <u>Other Information</u>: Anna Figueroa of the Bureau of Land Management, Vernal Field Office in Vernal, Utah will be notified at least 72-hours prior to commencement of <u>both</u> construction and reclamation operations.

A Class III Cultural Resource Inventory will be completed and the report forwarded to the Bureau of Land Management.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Lessee's or Operators Representative and Certification:

G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902, telephone number (307) 382-9791.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Wexpro Company is considered to be the operator of Well No. 89; SE ¼, SW ¼, Section 2, Township 10S Range 19E; Lease ML-11004, Uintah County; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Bond ESB000024. Nationwide Bond No. 965002976

Name G. T. Nimmo, Operations Manager

WEXPRO COMPANY

ISLAND UNIT #88, 89, 90 & 91 LOCATED IN UINTAH COUNTY, UTAH

SECTION 2, T10S, R19E, S.L.B.&M.

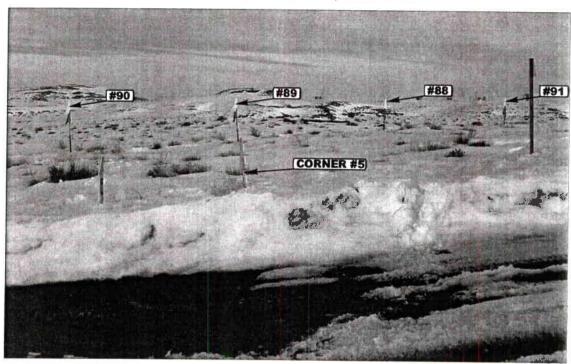


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKES

CAMERA ANGLE: EASTERLY

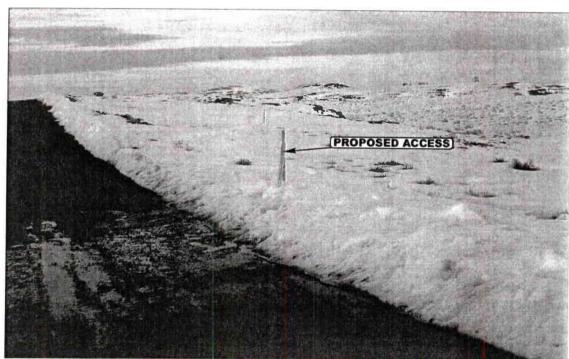


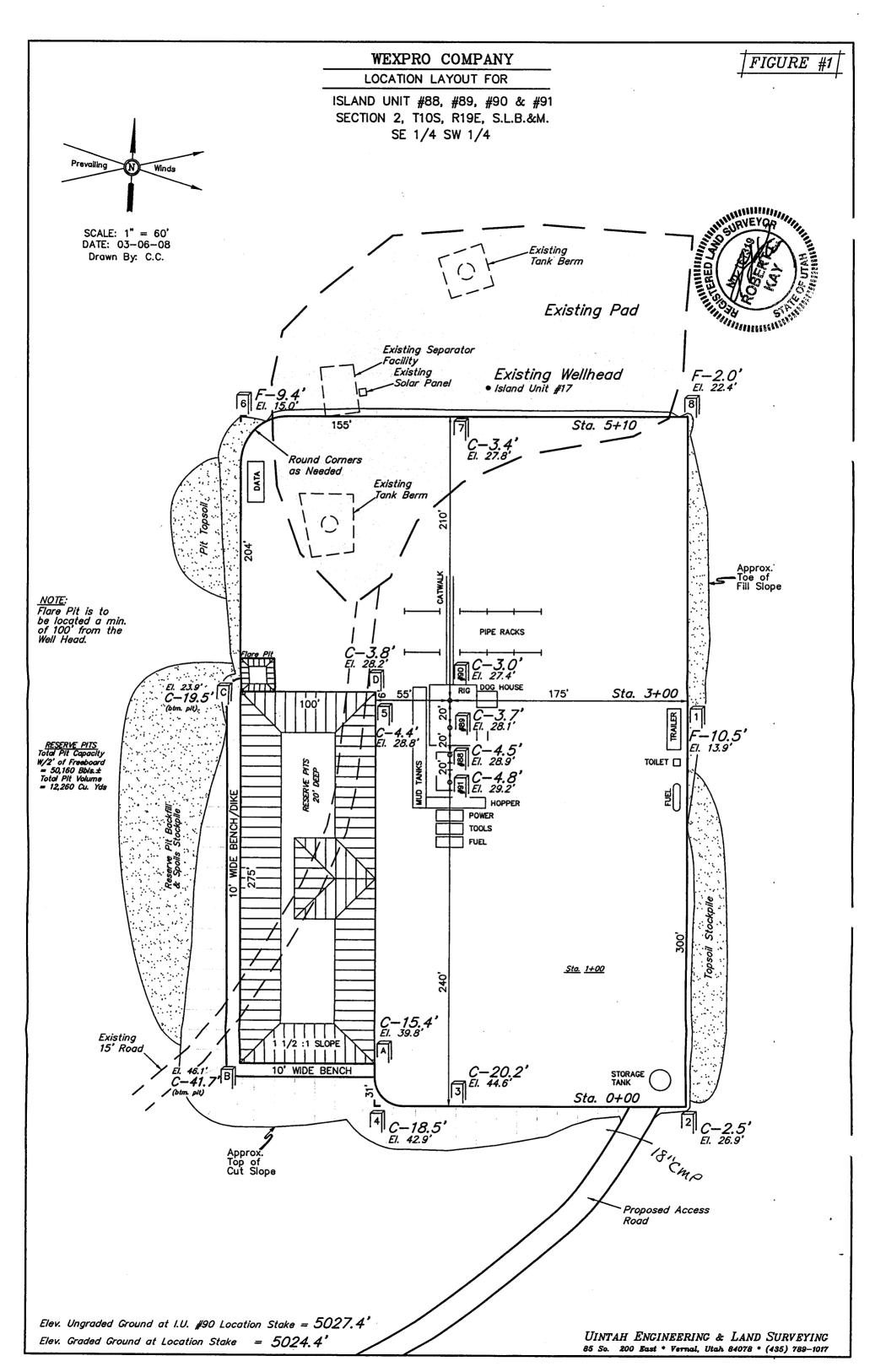
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS **РНОТО** MONTH DAY TAKEN BY: D.R. | DRAWN BY: C.P. | REVISED: 00-00-00



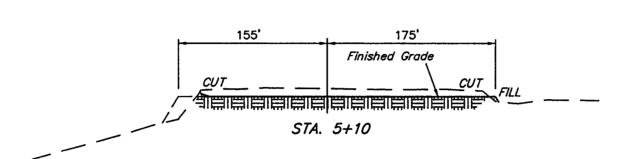
X-Section Scale

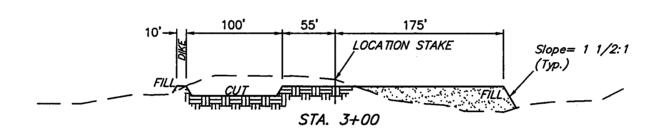
DATE: 03-06-08 Drawn By: C.C. WEXPRO COMPANY

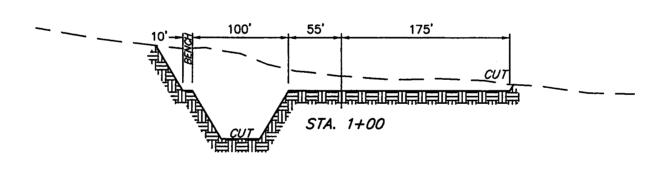
TYPICAL CROSS SECTIONS FOR

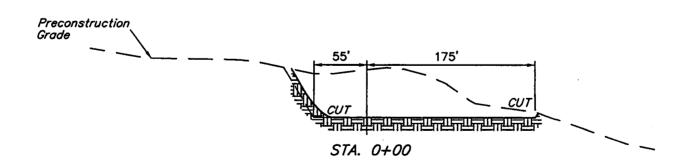
ISLAND UNIT #88, #89, #90 & #91 SECTION 2, T10S, R19E, S.L.B.&M. SE 1/4 SW 1/4 FIGURE #2











* NOTE: FILL QUANTITY INCLUDES 5% FOR COMPACTION

NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES

WELL SITE DISTURBANCE = ± 4.948 ACRES ACCESS ROAD DISTURBANCE = ± 0.664 ACRES

 $TOTAL = \pm 5.612 ACRES$

APPROXIMATE YARDAGES

(6") Topsoil Stripping

= *3,720* Cu. Yds.

Remaining Location

FILL

= 45,230 Cu. Yds.

TOTAL CUT

= 48,950 CU.YDS.

= 10,460 CU.YDS.

EXCESS MATERIAL

= *38,490* Cu. Yds.

Topsoil & Pit Backfill

EXCESS UNBALANCE

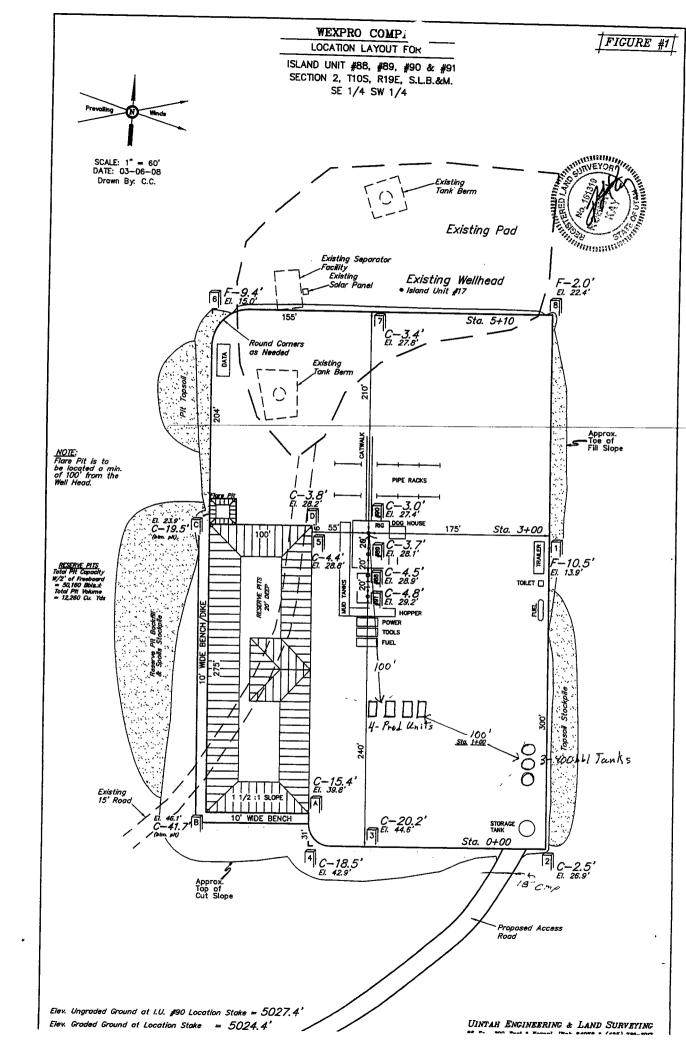
= *9,850* Cu. Yds.

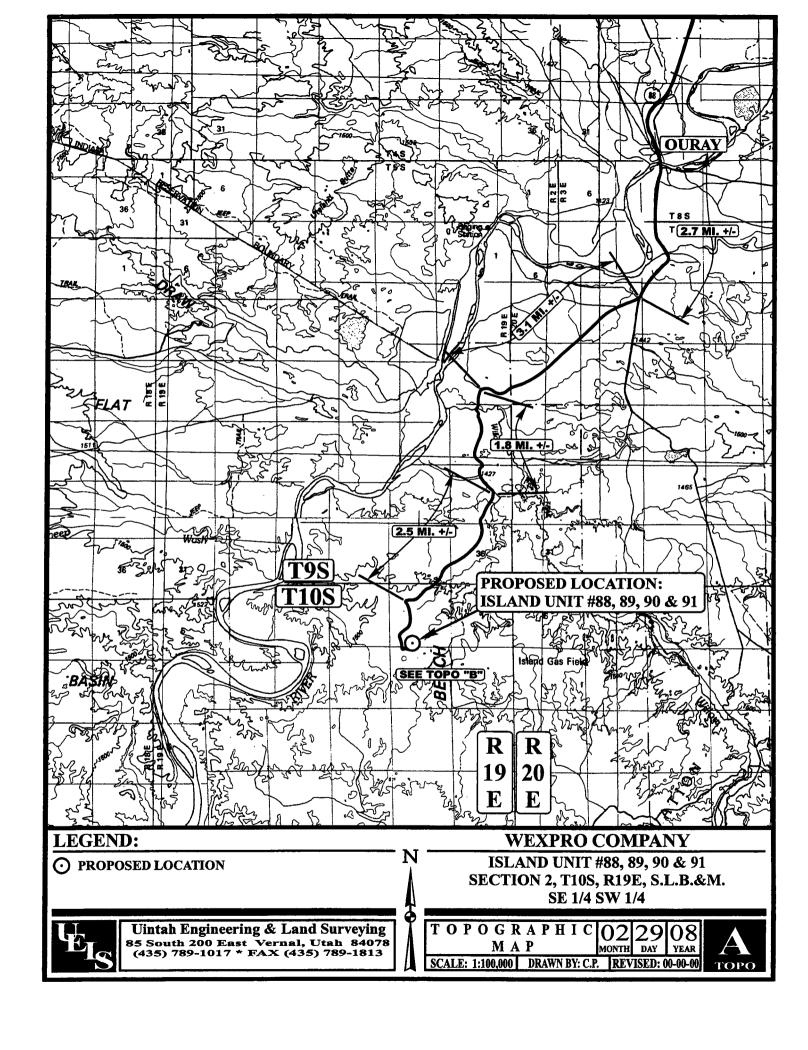
(1/2 Pit Vol.)

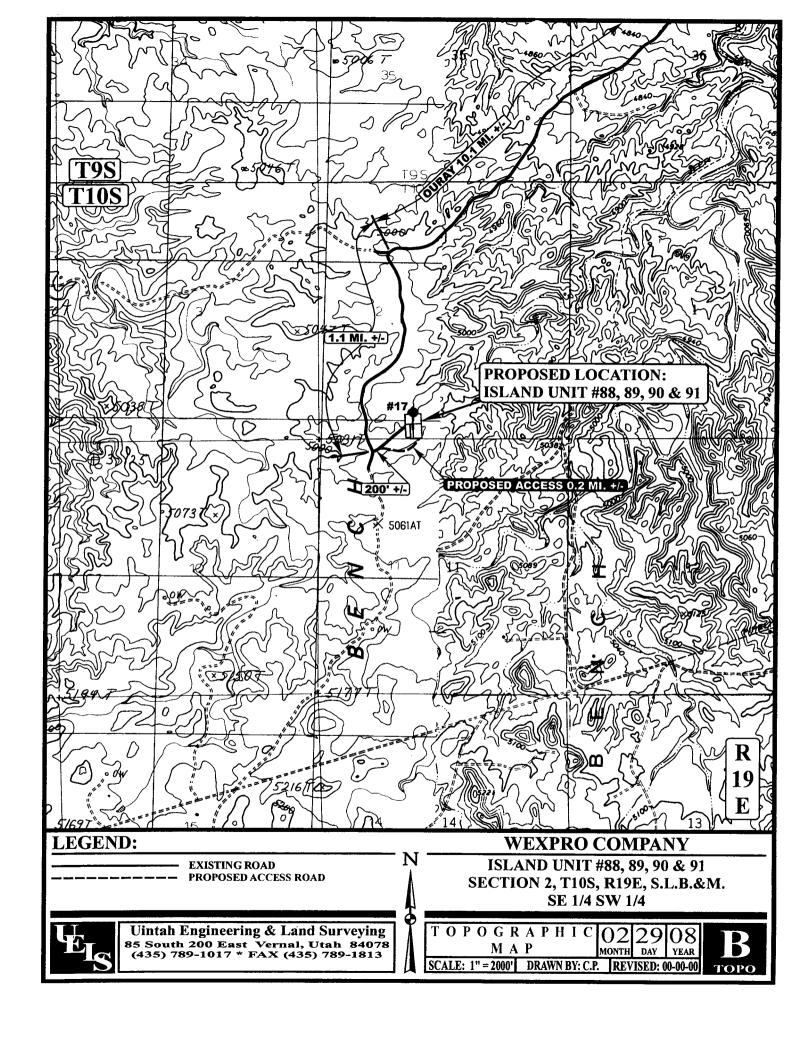
= 28,640 Cu. Yds.

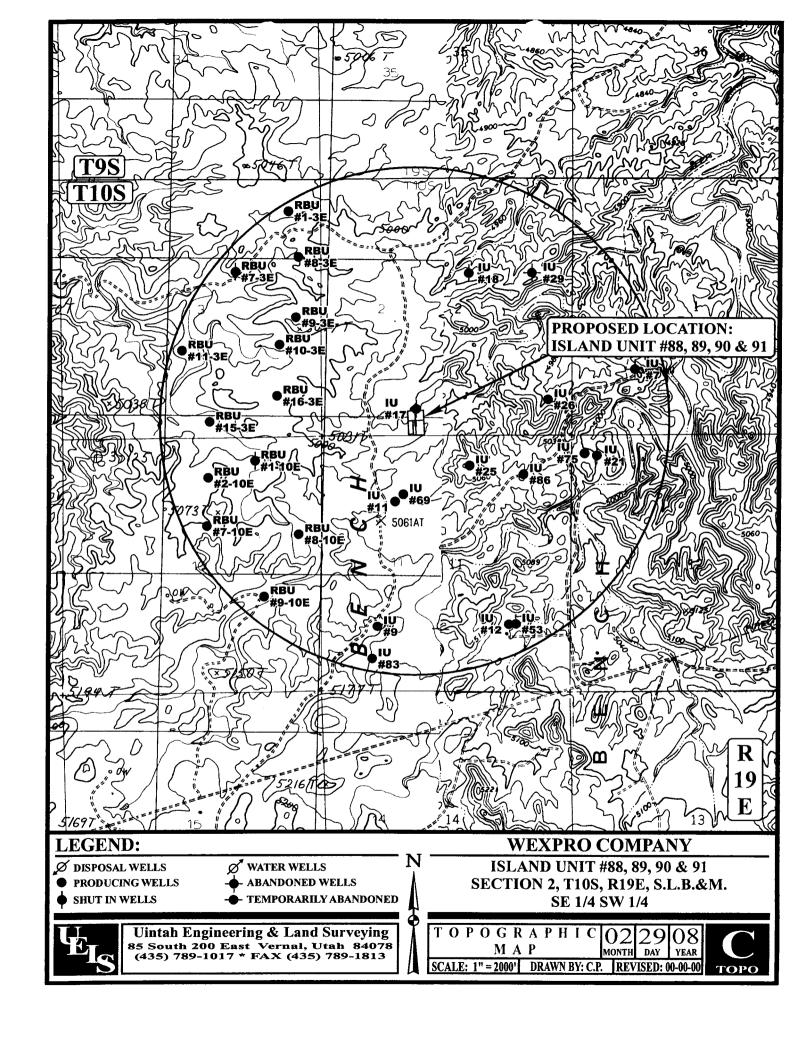
(After Interim Rehabilitation)

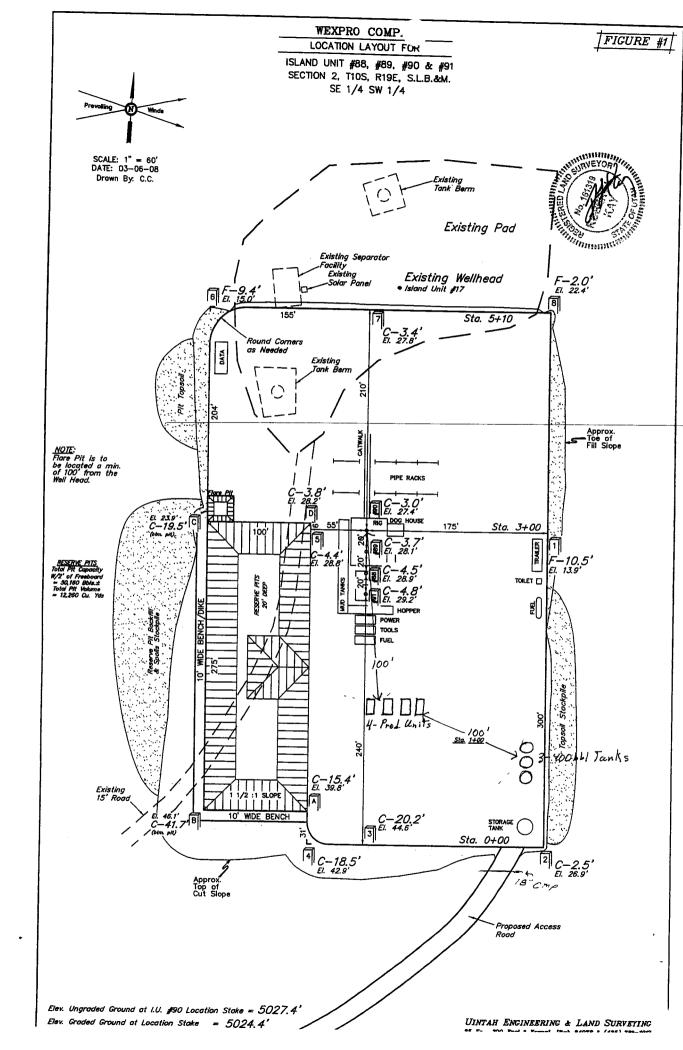
UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017











Form 3160-3 (August, 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: July 31, 2010

5. Lease Serial No.

M	. 1	10	104

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT	'TO DRILL OR REENTER
------------------------	----------------------

ATTEICATION FOR TERMIT TO DRIED OR REENTER					n/a					
la. Type of Work: X DRILL	REENTER			ISLAND UI	NIT U	nt, Name and No. UTU063026X				
1b. Type of Well: Oil Well X Gas Well Other	Zone	8. Lease Nam								
2. Name of Operator	X Single	Zone Multiple	Zone	9. API Well N		NO. 89				
•)			2. ALL WORL	vo. PENDINO	7.				
WEXPRO COME 3a. Address		- (: 1 1 1.)		10 F' 11 1D						
	36. Phone No	o. (include area code)		10. Field and P	ool, or Explo	oratory				
P.O. BOX 458, ROCK SPRINGS, WY 82902		307 382-9791		ISI	LAND, WAS	ATCH				
Location of well (Report location clearly and In accor At surface		•		11. Sec.,T.,R.,N	M.,or Blk.an	d Survey or Area				
297' FSL 1940' FWL SE SW L At proposed prod. zone 1670' FSL 1770' FWL		19 Long. 109.75	2858	2 T	10S R	19E S.L.B. &M.				
14. Distance in miles and direction from the nearest town of	or post office*			12. County or I	Parish	13. State				
APPROXIMATELY 32 MILES FROM VERNAL, UTAH	_		[UINT	ΆΗ	UTAH				
15. Distance from proposed*	5. Distance from proposed* 16. No. of acres in lease 17. St					pacing Unit dedicated to this well				
location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)		645.79		N/A						
18. Distance from proposed location*	19. Pı	roposed Depth	20. BL	M/ BIA Bond N	lo. on file					
to nearest well, drilling, completed, 1500' applied for, on this lease, ft.	8620	'(MD) 8326' (TVD)	Nationv	vide Bond No. 9	965002976					
21. Elevations (Show whether DF. RT, GR, etc.)	22. A	pproximate date work	will star	art* 23. Estimated duration						
5028' Ungraded		December 1, 2008 25 days			s					
	24. At	tachments		•						
The following, completed in accordance with the requirem	ents of Onsho	re Oil and Gas Order 1	No. 1 sha	all be attached t	o this form:					
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Fore SUPO shall be filed with the appropriate Forest Service) 		4. Bond to cover th item 20 above).5. Operator certifice6. Such other site spauthorized office	ation. pecific in		·					
5. Signature Name (Printed/ Typed) G. T. N			T NII		Date <i>O\$11</i>	INF				
Title	<u> </u>	<u> </u>	1.1111	VIIVIO						
	OPERATI	ONS MANAGE	ER							
Approved By (Signature)	Name (Printe	rd/ Typed)		I	Date					
Title	Office			L						
A all all and a second a second and a second a second and				11 21 1						

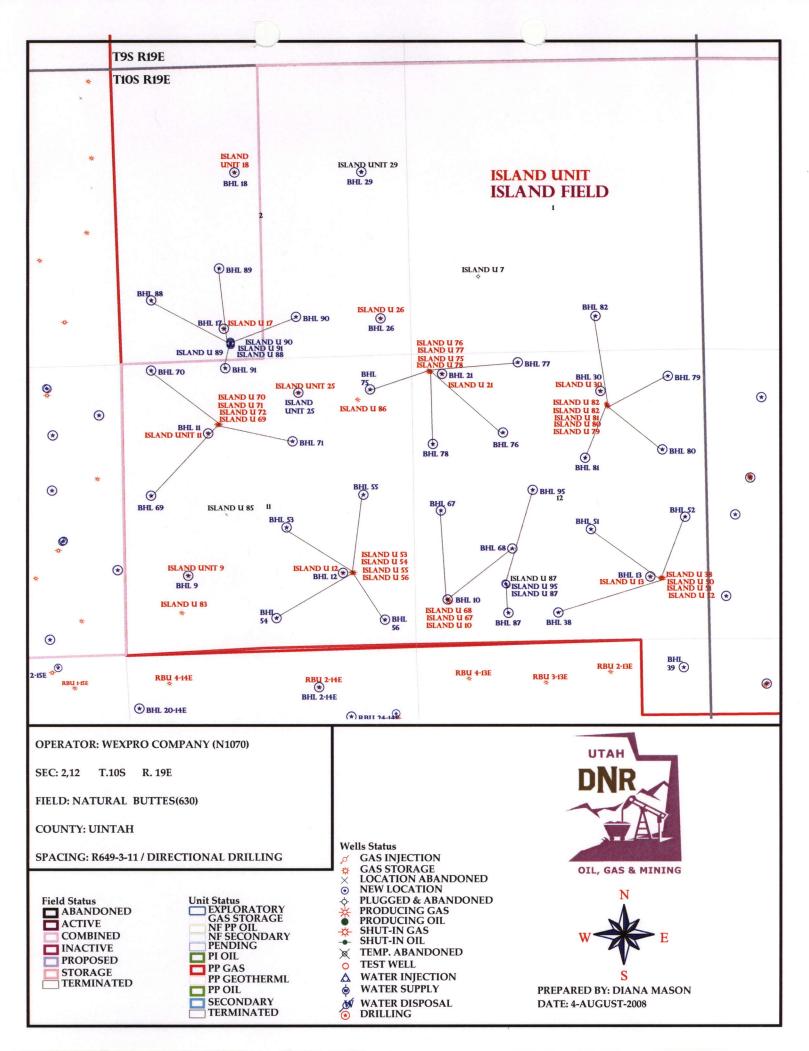
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/31/2008	API NO. ASSIGNED: 43-047-40278						
WELL NAME: ISLAND U 89	<u> </u>						
OPERATOR: WEXPRO COMPANY (N1070							
CONTACT: G.T. NIMMO							
PROPOSED LOCATION:	INSPECT LOCATN BY: / /						
SESW 02 100S 190E SURFACE: 0297 FSL 1940 FWL	Tech Review Initials Date						
BOTTOM: 1670 FSL 1770 FWL	Engineering Oko 8/11/08						
COUNTY: UINTAH	Geology						
LATITUDE: 39.97010 LONGITUDE: -109.7520 UTM SURF EASTINGS: 606579 NORTHINGS: 442	4975 Surface						
FIELD NAME: NATURAL BUTTES (630)						
LEASE TYPE: 3 - State LEASE NUMBER: ML 11004 SURFACE OWNER: 3 - State fedure	PROPOSED FORMATION: WSTC COALBED METHANE WELL? NO						
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:						
Plat	R649-2-3.						
Bond: Fed[] Ind[] Sta[] Fee[]	Unit: ISLAND						
(No. 965003033)	R649-3-2. General						
Potash (Y/N) Oil Shale 190-5 (B) or 190-3 or 190-13	<u> </u>						
Water Permit	R649-3-3. Exception						
(No. <u>49-2204</u>)	Drilling Unit						
_jU RDCC Review (Y/N) (Date:)	Board Cause No:						
	Eff Date:						
Fee Surf Agreement (Y/N)	Siting:						
<u> Minder Minder Mi</u>	R649-3-11. Directional Drill						
COMMENTS:,							
STIPULATIONS:	ac Sh p						
7-5-2	STEMENT OF BASIS						
NAME OF THE PERSON OF THE PERS							



Application for Permit to Drill Statement of Basis

9/11/2008

Utah Division of Oil, Gas and Mining

Page 1

APD No

Operator

API WellNo

Status

Well Type GW Surf Ownr S **CBM**

913

43-047-40278-00-00

Surface Owner-APD

No

WEII IN

Well Name ISLAND U 89

Unit

ISLAND

Field

NATURAL BUTTES

WEXPRO COMPANY

Type of Work

Location

SESW 2 10S 19E S 297 FSL 1940 FWL

297 FSL 1940 FWL GPS Coord (UTM) 606579E 4424975N

Geologic Statement of Basis

Wexpro proposes to set 590 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,000 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 2. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing and cement should adequately protect any near surface aquifers. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill

9/11/2008

APD Evaluator

Date / Time

Surface Statement of Basis

The surface rights at the proposed location are owned by the Federal Government. The operator is responsible for obtaining all required surface permits and rights-of-way from the BLM.

Brad Hill

9/11/2008

Onsite Evaluator

Date / Time

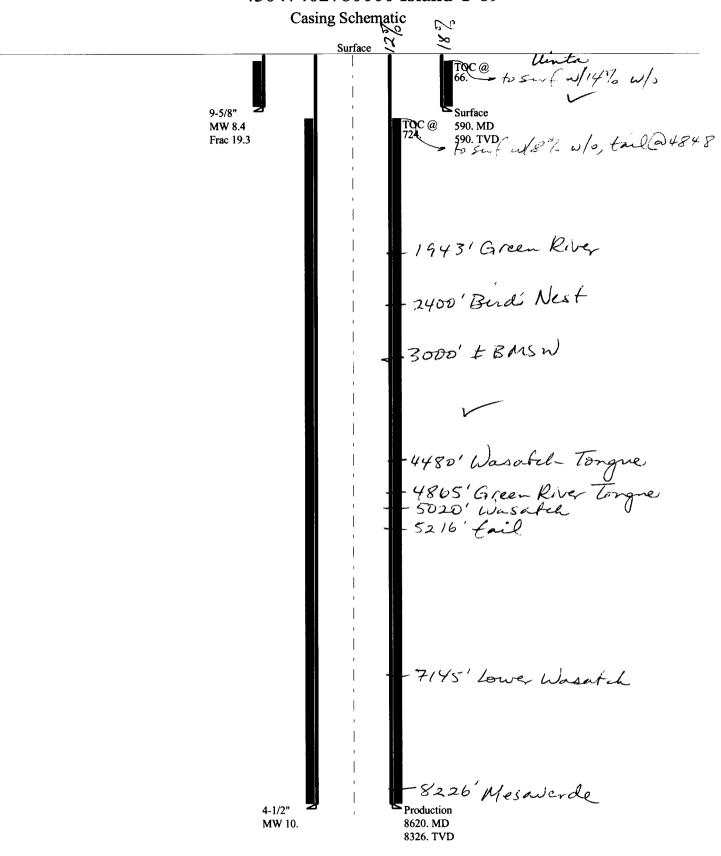
Conditions of Approval / Application for Permit to Drill

Category

Condition

None

43047402780000 Island U 89



Well name: 43047402780000 Island U 89

Operator: Wexpro Company

String type: Surface

Project ID:

43-047-40278-0000

Location: U

Uintah County

Design parameters:		Minimum design	n factors:	Environment: H2S considered?	No
Collapse Mud weight:	8.400 ppg	Collapse: Design factor	1.125	Surface temperature:	65 °F
Design is based on eva-	cuated pipe.			Bottom hole temperature: Temperature gradient:	73 °F 1.40 °F/100ft
		Burst:		Minimum section length:	185 ft
Downs		Design factor	1.00	Cement top:	66 ft

<u>Burst</u>

Max anticipated surface

pressure: 519 psi Internal gradient: 0.120 psi/ft Calculated BHP 590 psi

No backup mud specified.

Tension: Non-directional string.

 8 Round STC:
 1.80 (J)

 8 Round LTC:
 1.80 (J)

 8 Buttress:
 1.60 (J)

 9 Premium:
 1.50 (J)

 1 Body yield:
 1.50 (B)

Tension is based on air weight.
Neutral point: 513 ft

Re subsequent strings:

Next setting depth:
Next mud weight:
Next setting BHP:
Fracture mud wt:
Fracture depth:
Injection pressure:

8,326 ft
10.000 ppg
4,325 psi
19.250 ppg
590 ft
590 psi

Run	Segment		Nominal		End	True Vert	Measured	Drift	Internal
Seq	Length (ft)	Size (in)	Weight (Ibs/ft)	Grade	Finish	Depth (ft)	Depth (ft)	Diameter (in)	Capacity (ft³)
2	100	9.625	47.00	N-80	LT&C	100	100	8.625	41.1
1	490	9.625	36.00	J-55	LT&C	590	590	8.796	212.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
2	44	4738	99.990	531	6870	12.93	22	905	40.51 J
1	257	2020	7.846	590	3520	5.97	18	453	25.68 J

Prepared Helen Sadik-Macdonald by: Div of Oil,Gas & Minerals

Phone: 810-538-5357

Date: August 26,2008 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 590 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Well name:

43047402780000 Island U 89

Operator:

Wexpro Company

String type:

Location:

Production

Uintah County

Project ID:

43-047-40278-0000

Design parameters:

Minimum design factors:

Environment:

Collapse

10.000 ppg Mud weight: Design is based on evacuated pipe.

Collapse: Design factor 1.125 H2S considered? Surface temperature: No 65 °F

Bottom hole temperature: Temperature gradient:

182 °F 1.40 °F/100ft

Minimum section length:

Directional Info - Build & Drop

368 ft

Burst:

Design factor 1.00 Cement top:

724 ft

Burst

Max anticipated surface

pressure: Internal gradient: Calculated BHP

2,494 psi 0.220 psi/ft 4,325 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J) 8 Round LTC: 1.80 (J) **Buttress:** Premium:

Body yield:

1.50 (J) 1.50 (B)

1.60 (J)

Departure at shoe: Maximum dogleg: Inclination at shoe:

Kick-off point

1385 ft 2.8 °/100ft 0°

1000 ft

Tension is based on air weight.

Neutral point:

7,391 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8620	4.5	13.50	P-110	LT&C	8326	8620	3.795	722.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4325	10680	2.469	4325	12410	2.87	112	338	3.01 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Minerals by:

Phone: 810-538-5357

Date: August 26,2008 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 8326 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Burst strength is not adjusted for tension.

Wexpro Island Unit 89

43-047-40278-0000

INPUT			
Well Name	Wexpro Island Unit	69 43-047-40278	0000
	String 1	String 2	
Casing Size (")	9 5/8		
Setting Depth (TVD)	590	8326	
Previous Shoe Setting Depth (TVD)	60	590	
Max Mud Weight (ppg)	8.4		
BOPE Proposed (psi)	0	3000	
Casing Internal Yield (psi)	3520		
Operators Max Anticipated Pressure (psi)	3580	8.3	ppg

Calculations	String 1	9 5/8	/8 "
Max BHP [psi]	.052*Setting Depth*MW =	258	
			BOPE Adequate For Drilling And Setting Casing at Depth?
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	187	B7 NO , Drilled dry
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	128	
			*Can Full Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(Setting Depth - Previous Shoe Depth) =	141	41 - NO CK.
Required Casing/BOPE Test Pressure		590	90 1esi /
*Max Pressure Allowed @ Pr	revious Casing Shoe =	60	60 psi \iint *Assumes 1psi/ft frac gradient

Calculations	String 2	4 1/2 "	
Max BHP [psi]	.052*Setting Depth*MW =	4330	
		BOPE Adequate For Drilling And Setting Casing at Depth?	
MASP (Gas) [psi]	Max BHP-(0.12*Setting Depth) =	3330 NO	
MASP (Gas/Mud) [psi]	Max BHP-(0.22*Setting Depth) =	2498 YES /	
		*Can Full Expected Pressure Be Held At Previous Shoe?	
Pressure At Previous Shoe	Max BHP22*(Setting Depth - Previous Shoe Depth) =	2628 NO Known Area - Common in Area o	3K
Required Casing/BOPE Test		3000 psi /	
*Max Pressure Allowed @ Previous Casing Shoe =		590 psi *Assumes 1psi/ft frac gradient	

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

August 4, 2008

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2008 Plan of Development Island Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2008 within the Island Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

Proposed PZ Wasatch/MesaVerde) 43-047-40277 Island U 90 Sec 02 T10S R19E 0317 FSL 1939 FWL BHL Sec 02 T10S R19E 0750 FSL 2090 FEL

43-047-40279 Island U 95 Sec 12 T10S R19E 1094 FSL 1631 FWL BHL Sec 12 T10S R19E 2520 FNL 2160 FWL

43-047-40281 Island U 87 Sec 12 T10S R19E 1084 FSL 1648 FWL BHL Sec 12 T10S R19E 0560 FSL 1675 FWL (Proposed PZ Wasatch)
43-047-40280 Island U 91 Sec 02 T10S R19E 0257 FSL 1942 FWL BHL Sec 11 T10S R19E 0170 FNL 1830 FWL

43-047-40276 Island U 88 Sec 02 T10S R19E 0277 FSL 1941 FWL BHL Sec 02 T10S R19E 1110 FSL 0530 FWL

43-047-40278 Island U 89 Sec 02 T10S R19E 0297 FSL 1940 FWL BHL Sec 02 T10S R19E 1670 FSL 1770 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DEPARTMENT OF OIL GAS AND MINING

APPLICATION FOR PERMIT TO DRILL S. IMINERAL LEASE NO: 6. SURFACE: 1. TYPE OF WORK 1. TYPE OF		DEPARTMENT OF OIL, G	AMENDED (highlig	REPORT ht changes)	X			
1A. TYPE OF WORK B. TYPE OF WORK C. T.								
B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE SINGLE ZONE ZONE SINGLE ZONE ZONE SINGLE ZONE ZONE ZONE ZONE ZONE ZONE ZONE ZON	1A. TYPE OF WORK	DRILL X REENTER	DEEPEN	,		7. IF INDIAN, ALLOTTE	E OR TRIBE NA	
2. NAME OF OPERATOR: WEXPRO COMPANY 3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902 3. OT 382-9791 10. FIELD AND POOL. OR WILLOAT: ISLAND UNIT WELL NO. 89 10. FIELD AND POOL. OR WILLOAT: ISLAND WASATCH 11. OTRICATE, SECTION, TOWNSHIP, RANGE MERIDIAN: AT PRODUCING ZONE: 16.70' FSL, 1770' FWL SE SW 2-10S-19E, SLB&M 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH 15. DISTANCE TO NEAREST WELL (BRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 16. DISTANCE TO NEAREST WELL (BRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 17. DISTANCE TO NEAREST WELL (BRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 18. DISTANCE TO NEAREST WELL (BRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 19. PROPOSED DEPTH: 20. BOND DESCRIPTION: 21. ELEVATIONS (SHOW WHETHERD R, RT, GR, ETC.) 22. APPROXIMATE DATE WORK WILL START: 23. ESTIMATED DURATION: December 1, 2008 25. DAYS 24. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE CASING SIZE, GRADE, AND WEIGHT PER FOOT SETTING DEPTH CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT 24" 20" - CORRUGATED CONDUCTOR 60' 40 CUBIC YARD CONSTRUCTION CEMENT 12-1/4" 9-5/8" 36#, J-55, LT&C 500' SEE ATTACHED DRILLING PLAN 7-7/8" 4-1/2" 13.5#, P-110, LT&C 8,620' MD SEE ATTACHED DRILLING PLAN TATACHMENTS VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER COMPLETE DRILLING PLAN				MULTIPLE ZO	ONE	8. UNIT or CA AGREEN	IENT NAME:	
3. ADDRESS OF OPERATOR: P.O. BOX 458 CITY ROCK SPRINGS STATE WY ZIP 82902 307 382-9791 SLAND UNIT WELL NO. 89 4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 4. TOROUCING ZONE: 4. DISTANCE TO NEAREST FORDERTY OR LEASE LINE (FEET) 4. DISTANCE TO NEAREST WY LIP 16. NUMBER OF ACRES IN LEASE: 16. DISTANCE TO NEAREST WELL (DRILLING; COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4. DISTANCE TO NEAREST WELL (DRILLING; COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4. DISTANCE TO NEAREST WELL (DRILLING; COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 4. DISTANCE TO NEAREST WELL (DRILLING; COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 5. DISTANCE TO NEAREST WELL (DRILLING; COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 5. DECEMBER 1, 200 BOX 100 BESCRIPTION: 4. DECEMBER 1, 200 BOX 100 BESCRIPTION: 5.	2 NAME OF OPERA	TOR:	•					
P.O. BOX 458	2		NY			ISLAND UNIT	WELL NO.	89
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 297' FSL, 1940' FWL 31 FRODUCING ZONE: 1670' FSL, 1770' FWL 52 SW 2-10S-19E, SLB&M 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: APPROXIMATELY 32 MILES FROM VERNAL, UTAH 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 16. NUMBER OF ACRES IN LEASE: 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 1670' (BHL) 16. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 16. NUMBER OF ACRES IN LEASE: 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 1670' (BHL) 16. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1400' 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 19. PROPOSED DEPTH: 20. BOND DESCRIPTION: 21. ELEVATIONS (SHOW WHETHER OF, RT, CR, ETC.) 22. APPROXIMATE DATE WORK WILL START: 23. ESTIMATED DURATION: December 1, 2008 25. DAYS 24. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE 24" 20" - CORRUGATED CONDUCTOR 24" 20" - CORRUGATED CONDUCTOR 22" 24" 20" - CORRUGATED CONDUCTOR 30' SEE ATTACHED DRILLING PLAN 12-1/4" 9-5/8" 34#, J-80, LT&C 90' SEE ATTACHED DRILLING PLAN 7-7/8" 4-1/2" 13.5#, P-110, LT&C 8,620' MD SEE ATTACHED DRILLING PLAN 7-7/8" 4-1/2" 13.5#, P-110, LT&C 8,620' MD SEE ATTACHED DRILLING PLAN 25. ATTACHED DRILLING PLAN 26. COMPLETE DRILLING PLAN 27. WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER 28. WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER 29. COMPLETE DRILLING PLAN				1	704	1		
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SIGNATURE 7./ VIIII DATE	SIGNATURE	11/ Numa	DA	TE				_
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API NUMBER ASSIGNED 43-047-402-76 Utah Division of Oil, Gas and Miniting DIV. OF OIL, GAS & MINING	API NUMBER AS	SIGNED 45 04 + 402+6				DIV. OF OI	L, GAS & MIN	ING

(11/2001) Federal Approval of this Action is Necessary

See Instructions on Reversi Side) (-08

By:



⊷pro Company

180 East 100 South
P.O. Box 45601
Salt Lake City, UT 84145-0601
Tel 801 324 2600 • Fax 801 324 2637

August 14, 2008

Ms. Diane Mason State of Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801



Re:

Request for Exception Location and for Approval of Directional Drilling

Island Unit #89 Well

SURFACE: 297' FSL, 1940' FWL, SE1/4SW1/4, Sec. 2, T10S, R19E, SLM

BOTTOM HOLE: 1670' FSL, 1770' FWL, NE4SW4, Sec. 2, T10S, R19E, SLM

Lease No. U-4481

Dear Ms. Whitney:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling of the Island Unit Well #89. As reflected on the plats included with the attached Application for Permit to Drill ("APD"), the captioned well is to be drilled directionally with a surface location in the SE¼SW¼ and a proposed bottom hole location 1770' FWL and 1670' FSL in the NE¼SW¼ of Section 2. All of Section 2 is committed to the Island Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Wexpro is permitting this well as a directional well due to topographic reasons. The surface location is from a shared well pad with the directional drilling required to reach the targeted bottom hole location. Pursuant to R649-3-11, Wexpro requests approval to drill the above-referenced well directionally. Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro and its affiliate Questar Exploration and Production Company, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

Jonathan M. Duke

Coordinator: Contracts and Land

cc:

Bureau of Land Management

Dee Findlay – Wexpro Company
Frank Nielsen – Questar Exploration and Production Company

RECEIVED
AUG 19 2008

UNITED STATES

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D	R	A	

FORM APPROVED OMB NO. 1004-0137

Expires: July 31, 2010

DEPARTMENT OF THE INTERIOR					5. Lease Serial No.			
BUREAU OF LAND MANAGEMENT					ML 1100)4		
APPLICATION FOR PERMIT TO DRILL OR REENTER					, Allottee or Ti n/a	ribe Name		
				7. If Unit o	r CA Agreeme	nt, Name and No.		
la. Type of Work: X DRILL	_REENTER		<u> </u>	ISLAND		UTU063026X		
1b. Type of Well: Oil Well X Gas Well Other	r X Sino	gle Zone Multiple			me and Well 1			
2. Name of Operator	. [X] Sing	se zonewintiple		ISLANI 9. API Wel		NO. 89		
•	D 4 3 13 7			9. API WEL		6		
3a. Address		J. C. 1.1		0 5:11	PENDIN	<u> </u>		
	3b. Phone I	No. (include area code)	' [1	0. Field and	l Pool, or Expl	oratory		
P.O. BOX 458, ROCK SPRINGS, WY 82902		307 382-9791		I	SLAND, WAS	SATCH		
4. Location of well (Report location clearly and In account	rdance with a	ny State requirements.	*) 1	1. Sec.,T.,R	.,M.,or Blk.ar	d Survey or Area		
At surface 297' FSL 1940' FWL SE SW 1	Lat. 39.970	0119 Long. 109.75	2858					
A4				2 7	Γ 10S R			
At proposed prod. zone 1670' FSL 1770' FWI	NE SW		İ			S.L.B. &M.		
14. Distance in miles and direction from the nearest town	or post office	*	1	2. County o	r Parish	13. State		
APPROXIMATELY 32 MILES FROM VERNAL, UTAH	APPROXIMATELY 32 MILES FROM VERNAL, UTAH			UIN	TAH .	UTAH		
15. Distance from proposed*	16. No. of acres in lease 17. Spa			acing Unit dedicated to this well				
location to nearest 1670'				16				
property or lease line, ft. (Also to nearest drlg. unit line, if any)		645.79		N/A				
18. Distance from proposed location*	19 1	Proposed Depth	20 BI M	LM/ BIA Bond No. on file				
to nearest well, drilling, completed, 1500'		-						
applied for, on this lease, ft.		0' (MD) 8326' (TVD)			o. 965002976			
21. Elevations (Show whether DF. RT, GR, etc.)	22. /	Approximate date work	will start	* 23. Estin	nated duration			
5028' Ungraded		December 1, 2008			25 day	25 days		
	24. A	ttachments						
The following, completed in accordance with the requirem	ents of Onshe	ore Oil and Gas Order	No. 1 shal	l be attached	d to this form:			
1. Well plat certified by a registered surveyor.		4. Bond to cover th	e operatio	ns unless co	overed by exist	ing bond on file(se		
2. A Drilling Plan.		item 20 above).	о фолици		volum by white	ing cond on motor		
3. A Surface Use Plan (if the location is on National Fore		n 5. Operator certific	ation.					
SUPO shall be filed with the appropriate Forest Service	e Office).					may be required by		
		authorized office	r.			NUTD		
25. Signature	ted/Typed)	T NIN	0.40	Date	IMP			
Title	ļ	<u>G.</u>	T. NIM	IMO	0811	UT		
^	OPERAT	IONS MANAGE	R					
Approved By (Signature)		(Printed/Typed)			Date			
Title	Office							
Application approval does not warrant or certify that the applicant holds legal	or aquitable siste	to those sights in the sub!						
conduct operations thereon.	or equiable little	w usose rights in the subject i	case which v	vousu entitie the	applicant to			
Conditions of approval, if any, are attached.								

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United

(Continued on page 2)

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED * (Instructions on page 2)

AUG 19 2008

JEATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DEPARTMENT OF OIL, GAS AND MINING

R	AF	AMENDED REPORT
		(highlight changes)

	ADDUCATION FOR DEDMI	TTO	וומי	 		5. MINERAL LEASE NO	: 6. SURFACE:
	APPLICATION FOR PERMI	1 101	KILL			ML 11004 7. IF INDIAN, ALLOTTE	FEDERAL FOR TRIBE NAME:
1A. TYPE OF WORK	DRILL X REENTER	DEEPE	$_{N}$			N	I/A
B. TYPE OF WELL:	OIL GAS X OTHER	SING	LE ZONE	MULTIPLE ZO	NE	8. UNIT or CA AGREEN	
		•				ISLAND U	TU063026X
2. NAME OF OPERA	TOR: WEXPRO COMPA	NV					WELL NO. 89
3. ADDRESS OF OP		1141		PHONE NUMBER:		10. FIELD AND POOL,	
P.O. BOX		Y ZIP	82902	307 382-9	791		WASATCH
4. LOCATION OF W	ELLS (FOOTAGES)					11. QTR/QTR, SECTION MERIDIAN:	N, TOWNSHIP, RANGE,
AT SURFACE:	297' FSL,	1940' F	-WI				
AT PRODUCING	70NE:		70' FWL			SF SW 2-109	S-19E, SLB&M
14. DISTANCE IN MI	LES AND DIRECTION FROM NEAREST TOWN OR PO	ST OFFIC	E:			12. COUNTY	13. STATE
	APPROXIMATELY 32 MILES FRO					UINTAH	UTAH
15. DISTANCE TO N	EAREST PROPERTY OR LEASE LINE (FEET)	16. N		CRES IN LEASE:	17. NUMBE	ER OF ACRES ASSIGNE	ED TO THIS WELL:
40 DIOTANIOS TO N	1670' (BHL) EAREST WELL (DRILLING, COMPLETED, OR	10 0	64 ROPOSED D	5.79	20 BOND	N/A DESCRIPTION:	
APPLIED FOR)	PAREST WELL (DRILLING, COMPLETED, OR ON THIS LEASE (FEET)			4			
	1400'					vide Bond No. 965	
21. ELEVATIONS (SI	HOW WHETHER DF, RT, GR, ETC.)	22. Al		E DATE WORK WILL	START:	23. ESTIMATED DURA	
	5028' Ungraded		Dec	ember 1, 2008		25 L	DAYS
24.	PROPOSED CA	SING	AND CE	MENTING PRO	GRAM		
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTI	NG DEPTH	CEMENT 1	YPE, QUA	NTITY, YIELD, AND SLU	IRRY WEIGHT
24"	20" - CORRUGATED CONDUCTOR		60'	40 CUBIC YAF	RD CON	STRUCTION CE	MENT
12-1/4"	9-5/8" 47#, N-80, LT&C		90'	SEE ATTACHE	D DRIL	LING PLAN	
12-1/4"	9-5/8" 36#, J-55, LT&C	5	500'	SEE ATTACHE	D DRIL	LING PLAN	
7-7/8"	4-1/2" 13.5#, P-110, LT&C		20' MD	SEE ATTACHE			
1-110	4-1/2 13.0#, 1 -110, E100	0,0.	LO IVID	02271171011			
					 		
		 					
	<u>L</u>	<u> </u>					
25.		ATT	ACHMEN	ITS			
VERIFY THE FO	LLOWING ARE ATTACHED IN ACCORDANCE WITH TH	HE UTAH	OIL AND GA	S CONSERVATION G	ENERAL R	ULES:	
_		1					
X WELL PLAT C	R MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER		X cov	IPLETE DRILLING PLAN			
							HE LEASE OWNER
49-2204	Ouray Brine	t.					
NAME (PLEASE	PRINT) G. T. NIMMO		TITE	E OPERATIO	NS MAI	NAGER	
	1/1/						
SIGNATURE	[] Numa		DAT	E			
(This space for State	e use only)						
API NUMBER AS	SIGNED		APPRO\	/AL:			

API NUMBER ASSIGNED

WEXPRO COMPANY T10S, R19E, S.L.B.&M. Well location, ISLAND UNIT #89, located as N89'53'E - 5318.28' (G.L.O.) shown in the SE 1/4 SW 1/4 of Section 2, 1956 Brass Cap T10S, R19E, S.L.B.&M., Uintah County Utah. 0.3' High, Pile of Stones BASIS OF ELEVATION SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET. N00.48 1956 Brass Cap. 0.4' High, Pile of 1956 Brass Cap, 1.0' High, Pile of Stones 38, Bottom Hole 1770' 2653. SCALE CERTIFICATE THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FIELD NOTES OF ACTUAL SURVEYS MADE RYME OF UNEXP 670, NO0'48'16 SUPERVISION AND THAT THE SAME ARE THE CAND CO BEST OF MY KNOWLEDGE AND BELIEF ISLAND UNIT #89 1940' Elev. Ungraded Ground = 5028' 1956 Brass Cap. 1.1' High, Pile of REGISTRATION NO. Stones, Steel Post 1956 Brass Cap. S89'58'55"W 1956 Brass Cap, S89°58'36"W - 2636.67' (Meas.) 0.5' High, Pile 2636.90' (Meas.) 1.0' High, Pile of of Stones 2' WLY Stones UINTAH ENGINEERING BASIS OF BEARINGS VERNAL UTAH 84078 BASIS OF BEARINGS IS A G.P.S. OBSERVATION. 85 SOUTH 200 EAST -(435) 789-1017 LEGEND: SCALE DATE SURVEYED: DATE DRAWN: 1" = 1000' = 90° SYMBOL 02-27-08 03-06-08 NAD 83 (TARGET BOTTOM HOLE) NAD 83 (SURFACE LOCATION) PARTY REFERENCES LATITUDE = 39"58'25.99" (39.973886) LATITUDE = 39"58'12.43" (39.970119) LONGITUDE = 109"45'12.73" (109.753536) LONGITUDE = 109"45'10.29" (109.752858) = PROPOSED WELL HEAD. D.R. A.W. C.C. G.L.O. PLAT NAD 27 (TARGET BOTTOM HOLE) NAD 27 (SURFACE LOCATION WEATHER FILE SECTION CORNERS LOCATED. LATITUDE = 39"58'26.12" (39.973922) LATITUDE = 39"58'12.56" (39.970156) COLD LONGITUDE = 109'45'10.23" (109.752842) LONGITUDE = 109'45'07.79" (109.752164' WEXPRO COMPANY



Wexpro Company

180 East 100 South P.O. Box 45601 Salt Lake City, UT 84145-0601 Tel 801 324 2600 • Fax 801 324 2637

August 14, 2008

Ms. Diane Mason State of Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801

Re:

Request for Exception Location and for Approval of Directional Drilling

Island Unit #89 Well

SURFACE: 297' FSL, 1940' FWL, SE1/4SW1/4, Sec. 2, T10S, R19E, SLM

BOTTOM HOLE: 1670' FSL, 1770' FWL, NE1/4SW1/4, Sec. 2, T10S, R19E, SLM

Lease No. U-4481

Dear Ms. Whitney:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location and for directional drilling of the Island Unit Well #89. As reflected on the plats included with the attached Application for Permit to Drill ("APD"), the captioned well is to be drilled directionally with a surface location in the SE4SW14 and a proposed bottom hole location 1770' FWL and 1670' FSL in the NE4SW14 of Section 2. All of Section 2 is committed to the Island Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Wexpro is permitting this well as a directional well due to topographic reasons. The surface location is from a shared well pad with the directional drilling required to reach the targeted bottom hole location. Pursuant to R649-3-11, Wexpro requests approval to drill the above-referenced well directionally. Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro and its affiliate Questar Exploration and Production Company, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

Jonathan M.

Coordinator: Contracts and Land

cc: Bureau of Land Management

Dee Findlay - Wexpro Company

Frank Nielsen – Questar Exploration and Production Company

Form 3160-3 (August, 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR



FORM APPROVED OMB NO. 1004-0137

Expires: July 31, 2010 Lease Serial No. **BUREAU OF LAND MANAGEMENT** ML 11004 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER n/a 7. If Unit or CA Agreement, Name and No. X DRILL la. Type of Work: REENTER ISLAND UNIT UTU063026X 8. Lease Name and Well No. Oil Well X Gas Well 1b. Type of Well: Other X Single Zone Multiple Zone ISLAND UNIT NO. 89 Name of Operator 9. API Well No. WEXPRO COMPANY **PENDING** 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory P.O. BOX 458, ROCK SPRINGS, WY 82902 307 382-9791 ISLAND, WASATCH 4. Location of well (Report location clearly and In accordance with any State requirements.*) 11. Sec., T., R., M., or Blk. and Survey or Area At surface 297' FSL 1940' FWL SE SW Lat. 39.970119 Long. 109.752858 2 T 10S R 19E At proposed prod, zone 1670' FSL 1770' FWL NESW S.L.B. &M. 14. Distance in miles and direction from the nearest town or post office* 12. County or Parish 13. State APPROXIMATELY 32 MILES FROM VERNAL, UTAH UINTAH UTAH 15. Distance from proposed* 16. No. of acres in lease 17. Spacing Unit dedicated to this well. location to nearest 1670' property or lease line, ft. 645.79 N/A (Also to nearest drlg. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/ BIA Bond No. on file to nearest well, drilling, completed, 1500' 8620' (MD) 8326' (TVD) applied for, on this lease, ft. Nationwide Bond No. 965002976 21. Elevations (Show whether DF. RT, GR, etc.) 22. Approximate date work will start* 23. Estimated duration Ungraded December 1, 2008 25 days 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form: 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by existing bond on file(se 2. A Drilling Plan. item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Land 5. Operator certification. SUPO shall be filed with the appropriate Forest Service Office). 6. Such other site specific information and/ or plans as may be required by authorized officer. 25. Signature Name (Printed/Typed) Date G. T. NIMMO Title OPERATIONS MANAGER Approved By (Signature) Name (Printed/Typed) Date Title Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Feder 8/12/08

(Continued on page 2)

X

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DEPARTMENT OF OIL, GAS AND MINING

DR	AF	AMENDED REPORT
		(highlight changes)

						(
	APPLICATION FOR PERM	IT TO	DRILL			5. MINERAL LEASE NO ML 11004): 6. SURFACE: FEDERAL
1A TYPE OF WORK DRILL X REENTER DEEPEN D						7. IF INDIAN, ALLOTTE	E OR TRIBE NAME:
1A. TYPE OF WORK	,			MULTIPLE ZO	~	8. UNIT or CA AGREEN	NA MENT NAME:
B. TYPE OF WELL:	OIL LJ GAS LXJ OTHER	SIN	GLE ZONE	MULTIPLE 20			TU063026X
2. NAME OF OPERA						9. NAME OF WELL and	
WEXPRO COMPANY					ISLAND UNIT	WELL NO. 89	
3. ADDRESS OF OP				PHONE NUMBER:	704		
P.O. BOX		VY ZIP	82902	307 382-9	791		WASATCH N, TOWNSHIP, RANGE,
4. LOCATION OF WELLS (FOOTAGES) AT SURFACE: 11. QTR/QTR, SECTION, TOWNSHIP, RAN MERIDIAN:							,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	297' FSL,	1940'	FWL				
AT PRODUCING	16/0' F	SL, 1	770' FWL			SE SW 2-108	S-19E, SLB&M
14. DISTANCE IN M	ILES AND DIRECTION FROM NEAREST TOWN OR PO					1	13. STATE
TO DISTANCE TO M	APPROXIMATELY 32 MILES FRO			AH ACRES IN LEASE:	117 NILIMO	UINTAH ER OF ACRES ASSIGNE	UTAH
15. DISTANCE TO N	EAREST PROPERTY OR LEASE LINE (FEET) 1670' (BHL)	16.		15.79	17. NUMBI	ER OF ACRES ASSIGNE N/A	ED TO TRIS WELL.
18 DISTANCE TO N	EAREST WELL (DRILLING, COMPLETED, OR	19.	PROPOSED D	- 1.1	20. BOND	DESCRIPTION:	
APPLIED FOR)	ON THIS LEASE (FEET)			1			
	1400'					vide Bond No. 96:	
21. ELEVATIONS (SI	HOW WHETHER DF, RT, GR, ETC.)	22.		ember 1, 2008	START:		DAYS
	5028' Ungraded		Dec	eniber 1, 2006	 	23 L	<u> </u>
24.	PROPOSED CA	ASING	AND CE	MENTING PRO	GRAM		
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETT	SETTING DEPTH CEMENT TYPE, QUANTI			NTITY, YIELD, AND SLU	JRRY WEIGHT
24"	20" - CORRUGATED CONDUCTOR		60' 40 CUBIC YARD CONSTRUCTION CEMENT				MENT
12-1/4"	9-5/8" 47#, N-80, LT&C	1	90' SEE ATTACHED DRILLING PLAN				
12-1/4"	9-5/8" 36#, J-55, LT&C		500' SEE ATTACHED DRILLING PLAN				
7-7/8"	4-1/2" 13.5#, P-110, LT&C	8,6	3,620' MD SEE ATTACHED DRILLING PLAN				
· ·			 				
05		ΔΥ	TACHMEN	JTS			
25.					······································		
VERIFY THE FO	LLOWING ARE ATTACHED IN ACCORDANCE WITH T	HE UTA	H OIL AND GA	S CONSERVATION O	SENERAL R	ULES:	
WELL PLAT C	OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER		X cov	IPLETE DRILLING PLAN	l		
EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER 49-2204 Ouray Brine					HE LEASE OWNER		
NAME (PLEASE	NAME (PLEASE PRINT) G. F. NIMMO TITLE OPERATIONS MANAGER						
SIGNATURE	SIGNATURE 7./ Numae DATE						
(This space for State	e use only)	,			· · · · · · · · · · · · · · · · · · ·		
API NUMBER AS	SSIGNED		_ APPRO\	/AL:			

WEXPRO COMPANY T10S, R19E, S.L.B.&M. Well location, ISLAND UNIT #89, located as N89°53'E - 5318.28' (G.L.O.) shown in the SE 1/4 SW 1/4 of Section 2. 1956 Brass Cap T10S, R19E, S.L.B.&M., Uintah County Utah. 0.3' High, Pile of Stones BASIS OF ELEVATION SPOT ELEVATION AT THE SOUTHWEST CORNER OF SECTION 2694.07 20, T10S, R20E, S.L.B.&M., TAKEN FROM THE BIG PACK MTN. NW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5251 FEET. 1956 Brass Cap. 0.4' High, Pile of 1956 Brass Cap. 1.0' High, Pile of Stones (Meas. ,8 Bottom Hole 1770 SCALE CERTIFICATE THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE REAM OR UNDER MY NO0'48'16 SUPERVISION AND THAT THE SAME AREA BEST OF MY KNOWLEDGE AND BELIE ISLAND UNIT #89 1940' Elev. Unaraded Ground = 5028' 1956 Brass Cap. 1.1' High, Pile of REGISTRATION NO. Stones, Steel Post S89'58'55"W 1956 Brass Cap, S89°58'36"W — 2636.67' (Meas.) 1956 Brass Cap. 0.5' High, Pile 1.0' High, Pile of 2636.90' (Meas.) of Stones 2' WLY UINTAH ENGINEERING & LAND SURVEYING BASIS OF BEARINGS 85 SOUTH 200 EAST VERNAL, UTAH 84078 BASIS OF BEARINGS IS A G.P.S. OBSERVATION. (435) 789-1017 LEGEND: SCALE DATE SURVEYED: DATE DRAWN: 1" = 1000' 02-27-08 03-06-08 = 90° SYMBOL NAD 83 (TARGET BOTTOM HOLE) NAD 83 (SURFACE LOCATION) PARTY REFERENCES LATITUDE = 39'58'25.99" (39.973886) LATITUDE = 39'58'12.43" D.R. = PROPOSED WELL HEAD. A.W. C.C. LONGITUDE = 109'45'12.73" (109.753536) LONGITUDE = 109'45'10.29" (109.752858) G.L.O. PLAT NAD 27 (TARGET BOTTOM HOLE) NAD 27 (SURFACE LOCATION) WEATHER SECTION CORNERS LOCATED LATITUDE = 39"58'26.12" (39.973922) LATITUDE = 39"58'12.56" (39.970156) COLD WEXPRO COMPANY LONGITUDE = 109'45'10.23" (109.752842) LONGITUDE = 109'45'07.79" (109.752164)



State Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 11, 2008

Wexpro Company P O Box 458 Rock Springs, WY 82902

Re: Island Unit Well No. 89 Well, 297' FSL, 1940' FWL, SE SW, Sec. 2, T. 10 South,

R. 19 East, Bottom Location 1670' FSL, 1770' FWL, NE SW, Sec. 2, T. 10 South,

R. 19 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40278.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal Office

SITLA



Operator:		Wexpro	o Company				
Well Name & Numl	oer	Island l	Island Unit Well No. 89				
API Number:		43-047					
Lease:		ML 11	004				
Location:	SE SW	Sec2_	T. 10 South	R. 19 East			
Bottom Location:	NE SW	Sec. 2	T. 10 South	R. 19 East			

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to spudding the well contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well contact Dustin Doucet
- Any changes to the approved drilling plan contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

Dan Jarvis at: (801) 538-5338 office (801) 942-0871 home
Carol Daniels at: (801) 538-5284 office

• Dustin Doucet at: (801) 538-5281 office (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
- 6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.
- 7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES						FORM 9		
		DIVISION OF OII	., GAS AND MI	NING				SE DESIGNATION AND SERIAL NUMBER: 11004
	SUNDRY	NOTICES AN	ID REPORTS	S ON	WEL	LS	6. IF IN	NDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.					7. UNI	T or CA AGREEMENT NAME: J063026X		
	YPE OF WELL			orm for su	uch proposal	ls.		LL NAME and NUMBER:
OIL WELL GAS WELL OTHER							Island Unit 89	
	AME OF OPERATOR: expro Company					·		NUMBER: 4740278
	DDRESS OF OPERATOR: O. Box 458	, Rock Springs	STATE WY ZIP	82902	2	PHONE NUMBER: (307) 922-5647		ELD AND POOL, OR WILDCAT: Satch
	OCATION OF WELL	y took opining	STATE VV ZIP	02002		(001) 022 0011	1	
F	OOTAGES AT SURFACE: 297' F	SL, 1940' FWL					COUN	ry: Uintah
C	RTR/QTR, SECTION, TOWNSHIP, RAN	GE, MERIDIAN: SESW	2 10S 1	9E	177 m 177 m 178 m		STATE	: . UTAH
11.	CHECK APPR	ROPRIATE BOXI	S TO INDICAT	E NA	TURE	OF NOTICE, REP	ORT, O	R OTHER DATA
	TYPE OF SUBMISSION				Τ\	PE OF ACTION		
Ø	NOTICE OF INTENT	ACIDIZE			DEEPEN			REPERFORATE CURRENT FORMATION
	(Submit in Duplicate)	ALTER CASING		☐ F	FRACTURE	TREAT		SIDETRACK TO REPAIR WELL
	Approximate date work will start:	CASING REPAIR	•	Ξ	NEW CONS			TEMPORARILY ABANDON
		CHANGE TO PREV	/IOUS PLANS	_	OPERATOR			TUBING REPAIR
	SUBSEQUENT REPORT	CHANGE TUBING		=	PLUG AND A		님	VENT OR FLARE
יי	(Submit Original Form Only)	CHANGE WELL NA			PLUG BACK	ON (START/RESUME)		WATER DISPOSAL WATER SHUT-OFF
	Date of work completion:	岸	DUCING FORMATIONS	Ξ		ON OF WELL SITE	[7]	отнея: Air Rig Variance
		CONVERT WELL T		_		TE - DIFFERENT FORMATIO	N SEC	OTHER. 741 TUG VAIIATIOC
12.	DESCRIBE PROPOSED OR CO	MPLETED OPERATIO	NS. Clearly show all p	ertinent	details inc	luding dates, depths, volu	ımes, etc.	
	expro Company request - Special Drilling Operat							n III requirements, subsection ruck mounted air rig.
Α		maintained rotatir	ng head: A dive	ter bo	wl will l	be utilized in place	of a rot	igh pressure is not expected. tating head. The diverter bowl
	ooie line discharge will be located 50 to 70 feet fro		he well bore and	d secu	urely an	chored: The blooi	e line dis	scharge for this operation will
								automatic pilot/ignitor. Water suppression equipment.
СО		ed within 50 feet o	on the opposite	side o	f the we	ellhead from the bl	ooie line	ruck mounted air e and equipped with a (1) spark arrestors on the motors.
_								
NAM	ME (PLEASE PRIM) (S. T. Nimm	10			TITLE	Operations Mar	nager	
SIGI	NATURE Of Vinna				— DATE	5/4/2009		
LUIS N				e i				
his s	pace for State use only)	APPROVE	BY THE	NO)F			RECEIVE

(This space for State use only)

 \square

COPY SENT TO OPERATOR

(5/2000) Initials:

OIL, GAS, AND MINING

MAY 07 2009 DIV. OF OIL, GAS & MINING

	STATE OF UTAH		FORM 9
	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS, AND MIN		5.LEASE DESIGNATION AND SERIAL NUMBER: ML 11004
SUNDF	RY NOTICES AND REPORTS	ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen ugged wells, or to drill horizontal laterals. U		7.UNIT or CA AGREEMENT NAME: ISLAND
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: ISLAND U 89
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047402780000		
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs,	WY, 82902 307 922-5612	PHONE NUMBER: 2 Ext	9. FIELD and POOL or WILDCAT: NATURAL BUTTES
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0297 FSL 1940 FWL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESW Section: 02	IP, RANGE, MERIDIAN: Township: 10.0S Range: 19.0E Meridian:	S	STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICAT	TE NATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
The Island Unit #89 A	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION OMPLETED OPERATIONS. Clearly show all per APD was originally approved of ompany requests a renewal of one year.	n 9/11/2008 for a period of the APD for an additional	
NAME (PLEASE PRINT)	PHONE NUMBER		
Paul Jibson SIGNATURE	307 922-5647	Associate Permit Agent DATE	
N/A		9/3/2009	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047402780000

API: 43047402780000 Well Name: ISLAND U 89

Location: 0297 FSL 1940 FWL QTR SESW SEC 02 TWNP 100S RNG 190E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 9/11/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not

uire revi	sion. Following is a ch	ecklist of some	items related to th	e applićation, w	hich should be verified.
	ated on private land, he ed? 📗 Yes 🍺 No	as the ownersh	nip changed, if so, h	nas the surface a	agreement been
	any wells been drilled requirements for this			ll which would a	iffect the spacing or
	nere been any unit or o s proposed well?		nts put in place that	t could affect the	e permitting or operation
	there been any change the proposed location			vnership, or righ	ntof- way, which could
• Has th	ne approved source of	water for drilli	ng changed? 📗 🕦	res 📵 No	
	there been any physica je in plans from what v				
• Is bor	nding still in place, whi	ch covers this	proposed well? 🌘	Yes 🗐 No 🏻	opproved by the Jtah Division of J, Gas and Mining
nature:	Paul Jibson	Date:	9/3/2009		
Title:	Associate Permit Agent	Representina:	WEXPRO COMPANY	Date:	September 03, 2009
	3.				00 00

Sig

STATE OF UTAH			FORM 9		
	DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINII	NG	5.LEASE DESIGNATION AND SERIAL NUMBER: ML 11004		
SUNDF	RY NOTICES AND REPORTS O	N WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	sals to drill new wells, significantly deepen ex ugged wells, or to drill horizontal laterals. Use		7.UNIT or CA AGREEMENT NAME: ISLAND		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: ISLAND U 89		
2. NAME OF OPERATOR: WEXPRO COMPANY	9. API NUMBER: 43047402780000				
3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs,			9. FIELD and POOL or WILDCAT: NATURAL BUTTES		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0297 FSL 1940 FWL			COUNTY: UINTAH		
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SESW Section: 02	IP, RANGE, MERIDIAN: Township: 10.0S Range: 19.0E Meridian: S		STATE: UTAH		
11. CHE	CK APPROPRIATE BOXES TO INDICATE	NATURE OF NOTICE, REPORT,	OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
	☐ ACIDIZE ☐	ALTER CASING	CASING REPAIR		
Approximate date work will start:	te date work will start: CHANGE TO PREVIOUS PLANS CHANGE TUBING	☐ CHANGE WELL NAME			
9/1/2010	☐ CHANGE WELL STATUS	SON WELLS Dexisting wells below current Use APPLICATION FOR PERMIT TO SONE NUMBER: DEXIST OF A COUNTY: UINTAH STATE: UTAH TYPE OF ACTION ALTER CASING COMMINGLE PRODUCING FORMATIONS PRACTURE TREAT PLUG AND ABANDON RECLAMATION OF WELL SITE SIDETRACK TO REPAIR WELL VENT OR FLARE VENT OF HARE VENT OF HARE VENT OF HARE VENT OF THE NOTICE OF A COUNTY: UINTAH STATE: UTAH TYPE OF ACTION ALTER CASING CONVERT WELL CONVERT WELL PLUG AND ABANDON PLUG BACK PRECLAMATION OF WELL SITE SIDETRACK TO REPAIR WELL VENT OR FLARE VENT OR FLARE VAPO EXTENSION OTHER: TRINEND OTHER APPOPORE WATER DISPOSE APPOPORE UITAH DIV OIL, Gas ar Date: AUGUS By:	☐ CONVERT WELL TYPE		
SUBSEQUENT REPORT Date of Work Completion:	☐ DEEPEN ☐	FRACTURE TREAT	☐ NEW CONSTRUCTION		
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	☐ PLUG BACK		
	☐ PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION		
SPUD REPORT Date of Spud:	☐ REPERFORATE CURRENT FORMATION ☐	SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON		
	☐ TUBING REPAIR ☐	VENT OR FLARE	☐ WATER DISPOSAL		
DRILLING REPORT Report Date:	☐ WATER SHUTOFF ☐	SI TA STATUS EXTENSION	✓ APD EXTENSION		
керогт рате:	☐ WILDCAT WELL DETERMINATION ☐	OTHER	OTHER:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The Island Unit #89 APD was originally approved on 9/11/2008 for a period of one year. An APD extension was approved on 9/3/2009 for an additional one year. At this time Wexpro Company request an additional one year APD extension. Approved by the Utah Division of Oil, Gas and Mining Date: August 31, 2010 By:					
NAME (PLEASE PRINT) Paul Jibson	PHONE NUMBER 307 922-5647				
SIGNATURE N/A					



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047402780000

API: 43047402780000 Well Name: ISLAND U 89

Location: 0297 FSL 1940 FWL QTR SESW SEC 02 TWNP 100S RNG 190E MER S

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require revi	sion. Following is a ch	ne pre iecklis	st of some items related to	the applicat	ion, which should be verified.
	ated on private land, l ed? 📄 Yes 🌘 No	nas the	e ownership changed, if so,	has the su	rface agreement been
			e vicinity of the proposed wion? () Yes (i) No	ell which w	ould affect the spacing or
	nere been any unit or s proposed well?			at could aff	ect the permitting or operation
	there been any chang the proposed location			ownership,	or rightof- way, which could
• Has th	ne approved source of	f wate	r for drilling changed?	Yes 📵 N	o
			anges to the surface location iscussed at the onsite evaluation		route which will require a Yes 📵 No
• Is bor	nding still in place, wh	nich co	overs this proposed well? (Yes 🔵	Approved by the No Utah Division of Oil, Gas and Mining
Signature:	Paul Jibson	Date:	8/24/2010		
Title:	Permit Agent Represe	nting:	WEXPRO COMPANY	D	ate: August 31, 2010
	·	-		В	v. Baryll



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

September 23, 2011

Wexpro Company P.O. Box 458 Rock Springs, WY 82902

Re:

APD Rescinded – Island U 89, Sec. 2, T.10S, R.19E,

Uintah County, Utah API No. 43-047-40278

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 11, 2008. On September 3, 2009 and August 31, 2010 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 23, 2011;

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File

SITLA, Ed Bonner

Bureau of Land Management, Vernal

